

ITEL

Rail Division

Two Embarcadero Center
San Francisco, California 94111
(415) 955-9090
Telex 34234

RECORDATION NO. *87970* Filed & Recorded

AUG 4 1980 - 1 25 PM

August 4, 1980

INTERSTATE COMMERCE COMMISSION

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

0-221A061

No. AUG 8 1980

Date

Fee \$ 10.00

ICC Washington, D. C.

*Miss See -
I am not
sure what the
next letter
is -*

RE: Amendment No. 1, made as of March 26, 1980, to that certain Lease Agreement, made as of April 4, 1977, between SSI Rail Corp., now Itel Corporation, Rail Division and Alabama State Docks Department, an Agency of the State of Alabama, d/b/a Terminal Railway, Alabama State Docks *and recorded with the ICC April 27, 1977 under Recordation No. 8797.*

Dear Ms. Mergenovich:

Pursuant to 29 U.S.C. Section 11303(a) and the Interstate Commerce Commission's rules and regulations thereunder, I enclose herewith, on behalf of Itel Corporation, Rail Division, for filing and recordation, one (1) original and three (3) counterparts of the following document:

Amendment No. 1, made as of March 26, 1980, to that certain Lease Agreement, made as of April 4, 1977, between Itel Corporation, Rail Intermodal Division, now Itel Corporation, Rail Division and Alabama State Docks Department, an Agency of the State of Alabama, d/b/a Terminal Railway, Alabama State Docks

The names and addresses of the parties to the aforementioned document are:

- (1) Itel Corporation, Rail Division
Two Embarcadero Center
San Francisco, California 94111
- (2) Terminal Railway, Alabama State Docks
P.O. Box 1588
Mobile, Alabama 36633

Enclosed also is a check for \$10.00 for the required recordation fee.

John A. ...

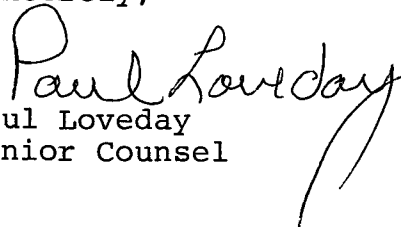
RECEIVED
AUG 8 1 10 PM '80

Ms. Agatha Mergenovich
Page 2
August 4, 1980

The equipment covered by the enclosed Amendment is 298 70 ton boxcars (AAR mechanical designation XM), marked TASD 78601 through and including TASD 78700 and 79001 through and including 79198.

Please stamp all counterparts of the enclosed document with your official recording stamp. You will wish to retain one (1) counterpart of the document for your files; it is requested that the remaining three (3) counterparts be delivered to the bearer of this letter.

Sincerely,


Paul Loveday
Senior Counsel

Enclosures 4
SD/jsf

Interstate Commerce Commission
Washington, D.C. 20423

8/8/80

OFFICE OF THE SECRETARY

Paul Loveday
Senior XCounsel
Itel Rail Division
Two Embarcadero Center
San Francisco, Calif. 94111

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **8/8/80** at **1:25pm**, and assigned re-recording number(s). **8797-0**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

AMENDMENT NO. 1

AUG 6 1980

INTERSTATE COMMERCE COMMISSION

The parties hereto hereby agree to this **AMENDMENT NO. 1** (this "Amendment"), dated as of March 26, 1980, to that certain Lease Agreement made as of April 4, 1977, as amended in part by Rider No. 1 thereto (the "Lease"), between SSI Rail Corp, now Itel Corporation, Rail Division ("Itel Rail"), as the lessor and Alabama State Docks Department, an Agency of the State of Alabama, d/b/a Terminal Railway, Alabama State Docks ("Lessee"), as the lessee.

For consideration received, the parties hereto hereby amend the Lease as follows:

1. "SSI Rail Corp." shall be deleted wherever it appears in the Lease and "Itel Corporation, Rail Division" shall be substituted therefor and "SSI" shall be deleted wherever it appears in the Lease and "Itel Rail" shall be substituted therefor.
2. Insofar as it may affect the lease of Boxcars described on Schedule No. 15 to the Lease only, the existing subsection 3.A. of the Lease is hereby deleted in its entirety and the following new subsection 3.A. is hereby added to the Lease in its place; the existing subsection 3.A. shall remain in full force and effect with respect to all other Schedules:

"A. Lessee shall confirm in writing to Itel Rail that the specifications of the Boxcars conform to the specifications of the equipment agreed to by Lessee. Upon such approval by Lessee, and provided this Agreement has not been terminated, Itel Rail shall, at its own expense remark the Boxcars with the railroad markings, and, in addition, at Lessee's option and with materials supplied by Lessee at Lessee's expense prior to such remarking, with other insignia, of Lessee after removing any existing railroad markings or other insignia.* The Boxcars shall be deemed delivered at 12:00 p.m. on the date of such remarking. Such remarking shall comply with all applicable regulations. The Boxcars shall be moved to Lessee's railroad line at no cost to Lessee as soon after delivery as is consistent with mutual convenience and economy, however, the Boxcars may be placed in service immediately upon delivery notwithstanding that they may not then be on Lessee's railroad line. Notwithstanding that Lessee may not have immediate physical possession of the Boxcars leased hereunder, Lessee agrees to pay Itel Rail the rent set forth in this Agreement. To move the Boxcars to Lessee's railroad line and insure optimal use of the Boxcars after the Initial Loading, Itel Rail agrees to assist Lessee in monitoring Boxcar movements and, when deemed necessary by Lessee and Itel Rail, to issue movement orders with respect to such Boxcars to other railroad lines in accordance with ICC and AAR interchange agreements and rules. For the purposes hereof, the term "Initial Loading," with respect to a Boxcar, shall be defined as the first loading of freight on that Boxcar.

3. Insofar as it may affect the lease of Boxcars described on Schedule No. 15 to the Lease only, subsection 4.A. is hereby declared null and void; subsection 4.A. shall remain in full force and effect with respect to all other Schedules.

CNT
R.M.H.
* Furthermore, ITEL shall at it's expense paint and apply permanent insignia to the cars under schedule 15 herein within sixty(60) months.

4. Insofar as it may affect the lease of Boxcars described on Schedule No. 15 to the Lease only, subsections 3.C., 6.A.(i), 6.A.(ii) and 6.C. of the Lease are hereby amended by deleting the numbers "85.5", "85.7", "90" and "94" therefrom each time they appear and by substituting for each of said numbers the number "85"; these subsections shall remain unchanged with respect to all other Schedules.
5. Insofar as it may affect the lease of Boxcars described on Schedule No. 15 hereto only, the existing subsection 6.A.(ii) is hereby deleted in its entirety and the following new subsection 6.A.(ii) is hereby added to the Lease in its place; the existing subsection 6.A.(ii) shall remain in full force and effect with respect to all other Schedules:

"6.A.(ii) In the event utilization exceeds 85 percent in any calendar year, Itel Rail shall receive an amount equal to the Itel Rail Base Rental. For the purpose hereof, Itel Rail Base Rental shall be an amount equal to the total payments for the calendar year multiplied by a fraction, the numerator of which is 85 percent and the denominator of which is the Utilization for such calendar year. (The above determination of Itel Rail Base Rental insures that Lessee will, if Utilization is greater than 85 percent in any calendar year, receive all the payments made by other railroads for use or handling of the Boxcars in excess of the Itel Rail Base Rental.)"

6. A new subsection 6.F, as follows, is hereby added to the Lease, immediately following existing subsection 6.E:

"F. If any amount due Lessee from Itel Rail under this section 6. is not paid to Lessee by Itel Rail when due, Itel Rail hereby agrees to pay interest on such amount, upon receipt of Lessee's invoice therefor showing the calculation thereof, at the lowest rate of interest then being charged by Lessee on its loans to institutional borrowers in the State of Alabama, from and including the day after the last day of the calendar quarter with respect to which such amount is due to and including the date such amount is paid."

7. A new subsection 6.G, as follows, is hereby added to the Lease immediately following new subsection 6.F:

"F. Notwithstanding anything contained in this section 6. to the contrary, Lessee shall have the option, exercisable by seven (7) days prior written notice delivered to Itel Rail, to perform Payment collection and car accounting with respect to the Boxcars then leased hereunder in the event that either (i) any amount due Lessee from Itel Rail under this section 6. is not paid within thirty (30) days after the due date thereof, or (ii) Itel Rail becomes subject to a court-supervised insolvency or reorganization proceeding and is unable, ~~within a reasonable period of time, as the applicable court may decide,~~ after becoming subject thereto, to provide Lessee with adequate assurance that payment when due by Itel Rail to Lessee under this section 6. can be made in accordance with the terms of this section 6., notwithstanding such proceeding; Lessee's rights under subsection 6.I.(ii) shall be in addition to those under subsection 6.I.(i)."

R.M.D.
CNT

8. Notwithstanding anything contained in the Lease to the contrary, Itel Rail and Lessee hereby agree that the two hundred ninety-eight (298) Boxcars described on Schedule No. 15 to the Lease shall be deemed delivered and shall be deemed Boxcars leased by Itel Rail to Lessee under the Lease as follows:
- (i) The first group of one hundred (100) of such Boxcars shall be deemed delivered and shall be deemed Boxcars leased by Itel Rail to Lessee under the Lease in accordance with the terms of the Lease.
 - (ii) Within forty-five (45) days after the first Boxcar of the first group of Boxcars referred to in (i) above has been delivered and has become a Boxcar under the Lease, Lessee shall notify Itel Rail, in writing, whether Lessee desires to have delivered and lease under the Lease a second group of one hundred (100) Boxcars; in the event Lessee desires to lease the second group of Boxcars, Itel Rail shall cause the second group of Boxcars to be delivered and become Boxcars under the Lease and, in addition, Itel Rail will pay Lessee, upon the delivery of the last Boxcar of the second group of Boxcars, the sum of twenty-five thousand dollars (\$25,000); however, in the event Lessee notifies Itel Rail that Lessee does not desire to lease the second group of Boxcars or if Lessee fails to so notify Itel Rail, Itel Rail shall have the right to lease the second group of Boxcars and the remaining ninety-eight (98) Boxcars, the third group of the Boxcars, to another lessee, with no further obligation whatsoever to Lessee with respect thereto, except as provided below.
 - (iii) In the event Lessee previously refused to lease the second group of Boxcars under the terms of (ii) above, within ninety (90) days after the first Boxcar of the first group of Boxcars referred to in (i) above has been delivered and has become a Boxcar under the Lease, Lessee shall notify Itel Rail in writing whether Lessee then desires to lease the second group of Boxcars; in the event Lessee then desires to lease the second group of Boxcars, and provided that Itel Rail is not then committed to lease them to another lessee, Itel Rail shall cause the second group of Boxcars to be delivered and become Boxcars under the Lease and, in addition, Itel Rail will pay Lessee, upon the delivery of the last Boxcar of said second group of Boxcars, the sum of fifteen thousand dollars (\$15,000); however, in the event Lessee, for the second time, notifies Itel Rail that Lessee does not desire to lease the second group of Boxcars or if Lessee fails to so notify Itel Rail, Itel Rail shall have the right to lease the second group of Boxcars and the third group of Boxcars to another lessee, with no further obligation whatsoever to Lessee with respect thereto, except as provided below.
 - (iv) Also within ninety (90) days after the first Boxcar of the first group of Boxcars has been delivered and has become a Boxcar under the Lease, Lessee shall notify Itel Rail, in writing, whether Lessee desires to lease the third group of Boxcars; in the event Lessee desires to lease the third group of Boxcars and provided that Itel Rail is not then committed to lease them to another lessee in accordance with the above, Itel Rail shall cause said third group of Boxcars to be delivered

and become Boxcars under the Lease and, in addition, Itel Rail will pay Lessee, upon the delivery of the last Boxcar of the third group of Boxcars, the sum of fifteen thousand dollars (\$15,000); however, in the event Lessee notifies Itel Rail that Lessee does not desire to lease the third group of Boxcars or if Lessee fails to so notify Itel Rail, Itel Rail shall have the right to lease the third group of Boxcars, and the second group, if applicable, to another lessee, with no further obligation whatsoever to Lessee with respect thereto, except as provided below.

- (v) In the event Lessee has previously refused to lease the second group of Boxcars and/or the third group of Boxcars as provided above, within one hundred twenty (120) days after the first Boxcar of the first group of Boxcars has been delivered and has become a Boxcar under the Lease, Lessee shall notify Itel Rail whether Lessee desire to lease the second group of Boxcars and/or the third group of Boxcars, as applicable; in the event Lessee desires to lease the second group of Boxcars and/or the third group of Boxcars, as applicable, and provided that Itel Rail is not then committed to lease them to another lessee, Itel Rail shall cause said second group of Boxcars and/or third group of Boxcars, as applicable, to be delivered and become Boxcars under the Lease; however, in the event Lessee notifies Itel Rail that Lessee does not desire to lease the second group of Boxcars and/or the third group of Boxcars, as applicable, or if Lessee fails to so notify Itel Rail, Itel Rail shall have no further obligation whatsoever to Lessee with respect thereto.

- CNT*
RMD
of those boxcars in
schedule 15 herein
- (vi) In the event that the ICC or other appropriate authority shall determine at any time that all or any portion of the incentive car hire payments earned with respect to any of the Boxcars may no longer be used to satisfy any portion of Lessee's obligation to pay rent to Itel Rail under this Agreement, then Itel Rail may, at its option, adjust the lease rental provisions of this Agreement such that Itel Rail shall receive amounts as lease rental equal to the amounts it would have received if one hundred percent (100%) of incentive car hire payments earned with respect to all Boxcars had continued to be allocable to lease rental.

9. Schedule Nos. 10, 11 and 12 are hereby declared null and void; no Boxcars described thereon have been, or are intended to be, delivered and leased as Boxcars under the Lease except as may be described on other Schedules.
10. The number "14" in the third line of the third paragraph of Rider No. 1 is hereby deleted and the number "15" in hereby substituted therefor.

The Lease shall remain in full force and effect except and as amended in accordance with the above.

All capitalized terms used above and defined in the Lease shall have their meanings herein as defined in the Lease.

This Amendment shall be effective upon approval hereof by Itel Rail's relevant financing sources and upon approval of and proper filing with and recordation by the Interstate Commerce Commission.

This Amendment may be executed in counterparts; such counterparts together shall be deemed and shall constitute one and the same instrument.

ITEL CORPORATION, RAIL DIVISION

By: Carl P. Lyle
Title: President
Date: April 8, 1980

**ALABAMA STATE DOCKS DEPARTMENT,
AN AGENCY OF THE STATE OF ALABAMA,
D/B/A TERMINAL RAILWAY, ALABAMA STATE DOCKS**

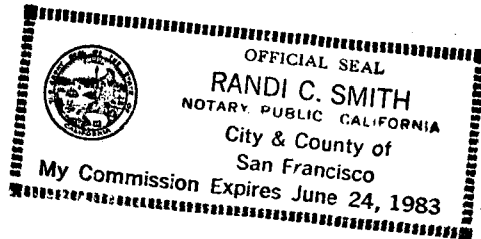
By: R. M. Hoke
Title: Director
Date: March 26, 1980

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN FRANCISCO)

On this 8th day of April, 1980, before me personally appeared Carl H. Taylor, to me personally known to be the President of ITEL Corporation, Rail Division, that the foregoing Amendment No. 1 was executed by him on behalf of said corporation by authority of its board of directors and he acknowledged that the execution of said document was the free act and deed of said corporation.

Randi C. Smith
Notary Public

My commission expires:



STATE OF ALABAMA)
) ss
COUNTY OF Mobile)

On this 26 day of March, 1980, before me personally appeared R. M. Howe, to me personally known to be the Director of Alabama State Docks Department, an Agency of the State of Alabama, d/b/a Terminal Railway, Alabama State Docks ("TASD"), that the foregoing Amendment No. 1 was executed by him on behalf of TASD with full authority to do so for and as the free act and deed of TASD.

Thorp Schmidt
Notary Public

My commission expires:
My Commission
Expires 2/21/83

EQUIPMENT SCHEDULE NO. 15

Itel Corporation, Rail Division hereby leases the following Cars to Terminal
Railway, Alabama State Docks subject to
 the terms and conditions of that certain Lease Agreement dated as of _____
April 4, 19 77.

A.A.R. Mech. Desig.	Description	Numbers	Dimensions Inside			Doors Width	No. of Cars
			Length	Width	Height		
XM	70 ton, 50' 6" inside length, Plate C with Nailable steel floors, 10' wide door opening, sliding type doors, with end of car cushioning, single sheath boxcar.	TASD 78601- 78700 79001- 79198	50' 6"	9' 6"	11' 3"	10'	298

ITEL CORPORATION, RAIL DIVISION

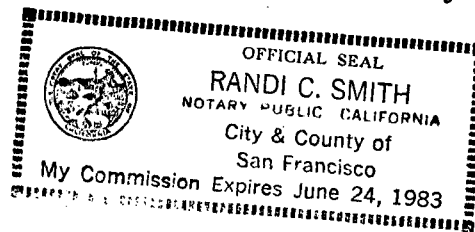
BY: Carl H. TaylorTITLE: PresidentDATE: April 8, 1980TERMINAL RAILWAY,
ALABAMA STATE DOCKSBY: R. M. HopeTITLE: DirectorDATE: March 26, 1980

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 8th day of April, 1980 before me personally appeared Carl N. Saylor, to me personally known to be the _____ of ITEL Corporation, Rail Division, that the foregoing Schedule No. 15 was executed by him on behalf of said corporation by authority of its board of directors and he acknowledged that the execution of said document was the free act and deed of said corporation.

Randi C. Smith
Notary Public

My Commission Expires:



STATE OF ALABAMA)
) ss:
COUNTY OF Mobile)

On this 26 day of March, 1980 before me personally appeared R. M. Hope, to me personally known to be the Director of Alabama State Docks Department, an Agency of the State of Alabama, d/b/a Terminal Railway, Alabama State Docks ("TASD"), that the foregoing Schedule No. 15 was executed by him on behalf of TASD with full authority to do so for and as the free act and deed of TASD.

George E. Sumner
Notary Public

My Commission Expires:

My Commission
Expires 2/21/83

